

# Supplement on the occasion of the national day of the Republic of Moldova



President Petru Lucinschi

## COUNTRY PROFILE

Official Title	: Republic of Moldova
Capital	: Chisinau
Area	: 33,800 Square Kilometers
Population	: 4.5 Million
Language	: Moldovan (identical to Romanian). Russian is widely spoken
Currency	: Moldovan leu
Exchange Rate	: 1 US Dollar to 10.5 Moldovan leu
Religion	: Orthodox Christian religion
Adult literacy rate	: 96.4%
Type of Government	: Presidential form
Head of State	: President Petru Lucinschi
Gross domestic Product	: \$ 1162.3 Million
Per Capita income	: \$ 522.7
Principal Exports	: Agricultural Products, Tobacco, wine and Textiles.
Total Export for 1999	: \$ 469 Million
Total Import for 1999	: \$ 592 Million
Principal Industries	: Agrobased industries, engineering, Pharmaceutical, Medical equipment and instrument, bio-technology and glass industry.
Principal Crops	: Grains, sunflower, Sugar beet, Tobacco, Grapes, fruit and berries.

## A brief on the Republic of Moldova

The history of the Republic of Moldova dates back to 30,000 years when first traces of human activity on this territory were found. However, the people started settlement in the territory from 1436. During 6th century the Geto-Dacians began to distinguish themselves among the Thracians. Ultimately the Ottoman regime occupied the territory of Moldova during 16th century, but the state retained autonomy. In the 18th century the big powers intensified their sphere of influence and Austria annexed the Northern Moldova in 1775 taking advantage of the weakening of the Ottoman power. Subsequently the territory was known as Bucovina. When Russia won over the war with Turkey Russia annexed the territory between Prut and Nistru and named it Bessarabia since 1813.

On 5th January 1850 Moldova elected a new ruler Alexandru Ioan Cuza and on 24th January he was elected Ruler of the Romania. Both the principalities Moldova and Romania became a single state in 1877. The signing of the protocol of the Soviet-German Treaty of Non-Aggression on 23rd August 1939 helped Russia to take back Bessarabia and Bucovina. On 2nd August 1940 USSR Supreme Soviet adopted the law on formation of the Moldovan Socialist Soviet Republic.

Situated in South-Eastern Europe between Romania and Ukraine the Republic of Moldova, which was one of the Republics of the Union of Soviet Socialist Republic (USSR), became independent on 27th August 1991. It is situated on 33,800 Square Kilometers with 4.5 million people. It is recognized by more than 170 countries including Bangladesh and she has become member of the United Nations, Organization of Security and Cooperation in Europe (OSCE), the Council of Europe, World Trade Organization (WTO) and other international financial organizations like World Bank and International Monetary Fund (IMF). She is a member of CIS also.

Under the new constitution of Moldova, which was passed by the Parliament on 29th July 1994, the country is administered under Presidential form of Government. The President of the Republic of Moldova, based on a vote of confidence of the Parliament, appoints the Prime Minister and the Government. The present government of the Republic of Moldova has undertaken series of reform programs in economic, social and political arena.

The political situation in Moldova is stable. The government has introduced market economy and private property rights is ensured under the constitution. Personal rights and freedom are ensured according to the United Nations Universal Declaration of Human Rights.

Moldova is connected by road, rail and air with other countries in Europe. "Air Moldova International" have direct flights to and from important cities of Europe and Moscow.

River transport is used for shipping on the Dniester River. Construction of a port and fuel-filling terminal is under construction at the confluence of the Prut and the Danube to serve tankers and other ships.

Odesa port in Ukraine is about 120 kilometers from Chisinau, the Capital city of Moldova, which is in use by Moldovans business community. Neighboring Countries are also using Odesa port through Moldova.

The Republic of Moldova has been enjoying unfettered Most Favoured Nation treatment (MFN) from 30 countries including USA and China.

Economic activities in Moldova have been geared up as a result of political stability, well-developed transportation and communication system. Moldova has a direct telelink with the rest of the world via satellites through two transit telephone exchange units located in Montreal and Copenhagen.

Moldova is basically an agrarian country, which accounts for 43 per cent of gross domestic product while industry covers 32 per cent.

It is a fertile black earth plain region that grows grains, fruits, vegetables and tobacco, Textiles, and Wine. Electrical equipment and agro-based industries have been developed. The tobacco industry is one of the most important industry in Moldova. The food and vegetable processing sector comprises seven large enterprises. There are ten sugar factories in the private sector.

Light industry products include carpets, textiles, leather and furs, garments and foot wear. Moldova has 56 enterprises in light industry sector. Engineering sector produces high-technique equipment, which includes electronics, automation and telecommunication equipment, television sets, electric engines,



## Message from Mohammed Shajahan Honorary Consul, Republic of Moldova



On the occasion of the national day of the Republic of Moldova I would like to greet the people of the People's Republic of Bangladesh as the Honorary Consul of the Republic of Moldova in Bangladesh. On this day in 1991 the Republic of Moldova, which was one of the Republics of the Union of Soviet Socialist Republics, separated and emerged as an independent and sovereign state.

Bounded by Romania and Ukraine the Republic of Moldova is a member of the United Nations and the Council of Europe. It is located in south-eastern part of Europe. As a member of International organizations and financial institutes including that of IMF and the World Bank, the government of the Republic of Moldova is committed to pursue market economy for which the government have undertaken a series of measures. These measures yielded positive results. As a result, the government of the Republic of Moldova have received word of praise from the IMF, the World Bank, United States agency for International Development, European Bank for Reconstruction and Development and the United Nations Development Programs as a singular Central European success story. As a successful reformist country in term of market economy the government of Moldova invites foreign entrepreneurs to set up industries in Moldova in association with legal entities and individuals of Moldova. The existing law on foreign investment provides provision for protection of investment in Moldova. The climate is indeed congenial in Moldova for foreign investment as she has achieved macro-economic stability and the country is run by democratically elected government. Local facilities including availability of inexpensive labor force, good access to transportation, developed telecommunication and Moldova's strategic location are added attraction for foreign investment. Situated on 33,800 square kilometers it is a beautiful agrarian country with a limited number of agrobased industries.

Since Bangladesh accorded recognition to the Republic of Moldova, the government of the Republic of Moldova has been showing increasing interest in developing relations with the government of the People's Republic of Bangladesh. Keeping this in view the government of Moldova initiated certain steps, which include signing of trade agreement between the two countries. I am happy to inform that the draft trade agreement has been finalized by both the governments. Negotiations are going on for the signing of an agreement between two commercial banks of both countries to develop bilateral trade to the mutual benefit of the peoples of the two countries. We expect that as soon as the trade agreement and the banking agreement are signed, the bilateral trade will flourish between the two friendly countries. A sizable number of Bangladeshis have settled in Moldova. I am confident that they will also contribute towards developing relations between Moldova and Bangladesh.

Keeping in view the desire to strengthen relations between the two countries the government of Moldova appointed me as their Honorary Consul in Bangladesh. During my tenure I will make no effort unturned in promoting bilateral relations between the two countries in cooperation with the government of Bangladesh.

On this happy occasion of the national day of the Republic of Moldova, I, on behalf of the Republic of Moldova and its government headed by Mr. Petru Lucinschi, President of the Republic of Moldova, wish the People and the government of the People's Republic of Bangladesh success in their endeavour towards progress and prosperity of the country in the coming years.

**Long live Moldova - Bangladesh friendship.**



Chisinau - Liberation Square

pumps, tractors and other agricultural machinery and appliances. Wood processing and furniture making industry includes 27 enterprises.

The Parliament passed an act on foreign investments on 02 April, 1992, which provides legal basis on principles of openness, transparency, equal rights, tax and customs duty remissions and exemption and clear-cut governmental safeguards from nationalization, expropriation and changes or amendments to existing legal acts. The act states that provisions of international treaties legalized by the Republic of Moldova will prevail over Moldovan law.

Bilateral agreements have been signed with Austria, Bulgaria, China, Hungary, India, Iran, Latvia, Poland, Turkey, Ukraine and the USA.

Free trade agreements have been signed with Romania, Russian Federation, Belarus, USA, Armenia, Turkmenistan, Uzbekistan. With the European Union Moldova entered into an agreement on partnership and cooperation.

More than 400 joint ventures with 30 countries have been established in Moldova. Investors from Romania, USA, Austria, Israel, Bulgaria, Germany, Turkey are most active.

The government of the Republic of Moldova as a part of their Policy for introduction of market economy has initiated action for privatization program on large scale.

The Republic of Moldova has identified priority development sectors for the national economy. These are:

- Agro-based industry
- Consumer goods producing industry
- Pharmaceutical, medical equipment producing industry
- Transport, Telecommunication and information technology
- Packaging industry
- Research - intensive industry

The Government of the Republic of Moldova in line with market economy has invited foreign investment in Moldova for the development of economic sector as indicated in the preceding para. Local and foreign entrepreneurs can conduct business pursuant to existing law. The Act on Business and enterprises outlines the legal practice and forms of entrepreneurial business in Moldova. Legal forms of foreign participation include partnership, limited partnership, limited liability company and joint venture. Laws regulating both domestic and foreign investments exist. Laws are in operation regulating the use of indirect investment vehicles, such as securities or investment funds. Moldova's property law companies with foreign equity participation to own the which the company is located.

The law on foreign investments also states that foreign capital will not be expropriated or nationalized pursuant to law, and then solely for the sake of interest, with indemnity guaranteed.